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C O N F I D E N T I A L SECTION 01 OF 02 ASTANA 000585

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DEPT FOR SCA/CEN (M. O'MARA), DRL/PHD (C. KUCHTA-HELBLING)

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TAGS: [PHUM](#) [PGOV](#) [KZ](#)

SUBJECT: KAZAKHSTAN: ANOTHER OPPOSITION LEADER FACES
CRIMINAL CHARGES

Classified By: Amb. John Ordway, reasons 1.4 (B) and (D).

11. (C) Summary: The Financial Police have launched a series of civil and criminal charges against popular opposition leader Bulat Abilov related to an investment fund that he founded in the 1990s. Abilov, who faces up to ten years in prison, believes that the prosecution is politically motivated. He alleges that members of President Nazarbayev's inner circle view him as a threat and are orchestrating the case to remove him from the political arena. Abilov claims that presidential insider Bulat Utemuratov informed him that one of Abilov's enemies even told President Nazarbayev that Abilov had asked Vice President Cheney to finance a "revolution" in Kazakhstan. End summary.

Criminal Charges with Possible Ten Year Sentence

12. (SBU) Opposition activist Bulat Abilov, co-chairman of the True Ak Zhol party, is facing up to ten years in prison on criminal charges related to an investment fund he created in the mid-1990s. The Financial Police have charged Abilov and two associates in the Butya-Kapital investment fund, Baurzhan Karabekov and Ualikhan Bekbosyn, with large-scale misappropriation and embezzlement, inflicting damages, tax evasion, and abuse of power by a manager of a commercial organization. The charges relate to business activities from 1996-1998 and carry a maximum sentence of ten years.

13. (C) The criminal trial against Abilov, Karabekov, and Bekbosyn is scheduled to begin on November 22 in the Almalinskiy district court of Almaty. In a November 14 conversation with Pol-Econ Chief, Abilov said that he planned to do everything possible to delay the proceedings. He had just replaced his legal team and would move for a one-month continuance so that the new lawyers can familiarize themselves with the case. Abilov explained that President Nazarbayev is widely expected to announce sweeping political reforms in a December address to the Democratization Commission. Such a move would presumably lead to a softening of the authorities' efforts to constrain the opposition, Abilov said, and create a more favorable environment for the trial.

Charges Politically Motivated?

14. (SBU) In a related civil trial on November 2, Karabekov argued that the statute of limitations had long expired. He stated that when the Butya-Kapital fund was liquidated in December 2004, 1.2 billion tenge (\$9.4 million) was

distributed to its 500,000 shareholders, making it the only one of the 167 funds set up to privatize state assets to pay any money to its shareholders. After the Almaty City Court rejected Karabekov's appeal, his lawyer alleged in a television interview that the Financial Police had put together the case in retaliation for Bulat Abilov's political activities. The lawyer said that the Financial Police had called numerous Butya-Kapital shareholders around the country to inform them of the alleged violations and encourage them to file a lawsuit; the seven individuals who agreed to do so had never appeared in court or asked for financial compensation. The authorities were seeking a ruling to use as a precedent in upcoming criminal proceedings, he alleged.

¶5. (C) When asked why the authorities were focusing on him, rather than other opposition leaders who were even more outspoken, Abilov told Pol-Econ Chief that many in Nazarbayev's inner circle saw him as a threat because of his popularity with the public, the strong support he receives from major businesses, his ability to unite disparate forces within the opposition, and his financial wherewithal. Abilov said that he had personally financed Zharmakhan Tuyakbay's 2005 presidential campaign, and had co-financed the opposition's 2004 parliamentary campaign with Kazkommertsbank. (Note: In addition to the factors Abilov mentioned, his frequent intemperate public statements have undoubtedly attracted unfavorable attention from Astana.)

Abilov Alleges High-Level Campaign to Discredit Him

¶6. (C) Someone in Nazarbayev's inner circle was now using the Financial Police to try to remove him from the political arena, Abilov alleged. He claimed that key Presidential

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Administration figure Bulat Utemuratov had informed him that someone in a power ministry (i.e. the Procuracy, the KNB, or the MVD) had told Nazarbayev that during Vice President Cheney's May 6 breakfast with members of the opposition, Abilov had asked for funding to "organize a revolution" and unseat Nazarbayev. Abilov said that Nazarbayev had repeated the allegation to Tuyakbay during a September 22 meeting. (Note: Abilov made no such request during the meeting with the Vice President.)

¶8. (C) Abilov told Pol-Econ Chief that Nazarbayev had personally tried to convince him to leave politics on several occasions, offering him his choice of natural resources, banks, or private firms as inducement. He had refused each time. Someone in Nazarbayev's inner circle had made him a similar offer recently, Abilov said; if he would go on television and acknowledge the validity of the December 2005 presidential elections, the charges against him would be dropped. Abilov was adamant that he would not betray his principles by taking a "deal" when he had done nothing against the president.

¶9. (SBU) Abilov said that he planned to visit Washington in December, probably with Zharmakhan Tuyakbay. His goal was to preserve contacts between the opposition and influential thinkers in Washington, as well as to obtain visible "moral support" during his trial. Abilov will have to obtain permission from the court examining his case and from the Procuracy in order to travel. Pol-Econ Chief promised to assist with visa referrals and appointment requests at the State Department.

Comment

¶10. (C) Comment: It is impossible to know at this stage whether the charges against Abilov and his business associates have any basis in fact, given that the

transactions in question took place eight to ten years ago at a time when Kazakhstani law was rapidly changing and frequently imprecise. The fact that Butya-Kapital was the only investment fund known to have paid dividends to its shareholders would seem to indicate that it was one of the best managed of the 167 funds created to privatize state assets, however, rather than a dishonest enterprise. Indeed, Abilov's popularity with the Kazakhstani public is due in part to the fact that he helped many of them profit from their privatization vouchers. The intensity of the Financial Police in pursuing Abilov does not therefore seem to be based on any genuine shareholder dissatisfaction with Butya-Kapital, but rather on political grounds. Post sees the charges against Abilov as similar to the selective prosecution that Galymzhan Zhakiyanov experienced in 2002. If the authorities manage to prevent Abilov from financing his political allies, the Kazakhstani opposition will be even further weakened. End comment.

ORDWAY